

SECTION V

Empowering OSFA Employees and Contractors

Background

The previous three chapters are full of wonderful recommendations for improving service to students, schools, and financial institutions — recommendations that the Office of Student Financial Assistance (OSFA) should do *this*, OSFA should do *that*. Who'll have to do all the thises and thats? It's going to be up to the people who work for OSFA and its support contractors. To change the way it deals with the world outside, OSFA will have to change the way it works inside — its structure, its tools, its ground rules and incentives — if you will, its culture. Like charity, transformation to a Performance-Based Organization (PBO) begins at home.

It's not that we aren't doing the job of delivering student financial aid. Currently, over 1,200 direct employees in Washington, D.C. and ten regional offices work in OSFA to deliver over 50 billion dollars in aid to nine million students each year. That's a lot of money. Overall, the dollars are delivered to the right people at the right time and, repayment rates are improving year in and year out. As OSFA moves to becoming a PBO, significant improvements in the integration, simplification, and reduction of the administrative costs associated with delivering an ever-increasing volume of financial aid are certainly possible.

But we can do even better. In becoming a PBO, OSFA can make the most direct changes for its employees. If OSFA wants its customers to think of this organization as a best in business service provider, OSFA employees need to believe in that too. Employee surveys, the most recent by the National Partnership for Reinventing Government (NPR), show how much change is needed. Only sixty per-

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cent of OSFA employees feel empowered, and only sixty percent are satisfied with their jobs — probably no coincidence. One in four knows of no goal related to satisfying customers, and half say they need more training to succeed. The task force collected over 3,000 comments from OSFA employees and nearly all deal with those same topics — the desire for a clear mission. OSFA employees want to deliver best in business service to their customers and want the training, tools, and authority to achieve that goal. One thing the task force did in listening to OSFA's customers was to begin to understand the enormous impact OSFA has on people's lives for improving opportunities for postsecondary education. As OSFA organizes along customer segments, all OSFA employees will have that same opportunity. That will be the first step in transforming OSFA to a PBO, but OSFA must serve its employees as well.

"A single mom was telling us how it was through federal aid that she was able to go to school to find a job that would support her and her baby. It put a face on our customers and personalized our programs for me. I saw at the most basic level just what a great impact our programs have. We really affect and change lives for the better."

– Greg Glova, task force member

OSFA can get a lot more out of contract workers too — and *must*, because they handle most of the front-line customer service. *Performance*-based contracting is the key. OSFA has had some luck with performance contracts already. They played a big role in successfully processing ten times the normal volume of loan consolidations last January, just before the interest rate went up. Other federal agencies use performance contracts to good advantage, too. For example, GSA's Denver region scrapped the traditional, *process*-based custodial contract, which painstakingly defined three kinds of dust and specified that bathrooms be swabbed with *yellow* sponges (no one knows why). They got better and cheaper results with a simple agreement that the contractor would "keep the building clean," and that either party could cancel with 60 days notice.

The same, simple truth lies behind performance-based organizations and performance-based contracts. Assume people have to be told how to do everything and watched

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Assume people have to be told how to do everything and watched every minute, and that's mostly what you get.

every minute, and that's mostly what you get. Assume people will figure out how to reach the goals you have in common, and you get more of that. OSFA needs to continue to move to the latter.

◆ *Create A Clear Mission and Goals*

Status

Even though OSFA has a clear and mighty uplifting mission — to help put America through school — too many workers don't see how their jobs are aligned with that mission, nor do they have goals that obviously contribute to it.

Actions

Employee empowerment is at the heart of delivering best in business customer service.

OSFA should make sure everyone understands the mission (*EMP002*) and that its organization and processes align with student, school, and financial institution segments (*EMP001*) to reflect the mission. Establish measurable goals that focus on results in terms of customer satisfaction, employee satisfaction, and unit costs (*EMP003, PAR023, PAR028, EMP007*). Give employees and contractors the flexibility, authority, and equipment (*EMP020, EMP021, EMP022, EMP039, EMP044, PAR008, PAR033, PAR035*) they need to achieve those goals. Use more self-managed teams that can control their own staffing, shop for the best values, and are responsible for their products (*EMP029, EMP031*). Save money, improve service, and demonstrate trust by promoting flexible workplaces and hours (*EMP042*). Encourage innovation and risk-taking in seeking to improve services and products — reward and celebrate successes (*EMP006, EMP008, EMP030*). Celebrate good *tries*, too — workers will be more innovative if failure is not so risky (*EMP028*). And last, but not least, celebrate monumental anniversaries — workers are dedicating their lives to this mission (*EMP046*).

“If I could take one lesson back to my office from my experience on the task force, it would be to not be afraid to take risks. It's important to know that you CAN make things happen, you CAN make a difference. Be a catalyst for change. If I can help others in my office visualize that concept as well, that would be great.”

– Lexi Byers, task force member

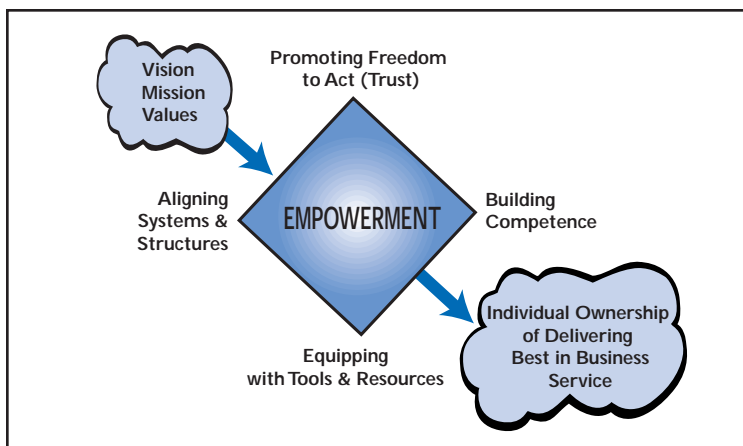


Figure 15

◆ *Get Everyone In Touch With Customers*

Status

Front line employees know a lot about what customers want and how to improve service, but employees who don't have daily contact with customers can forget to put customers first.

Actions

OSFA should keep everybody in touch with customers — from the COO on down, everyone should spend time regularly taking calls and serving customers (EMP034). Disney's CEO spends time walking around the Magic Kingdom in a Goofy suit — the loftier your position, the more you need it. OSFA employees should establish a system that provides feedback to employees regarding their skills and responsiveness to the needs of the customer (EMP036). Best in business companies do this all the time. In fact, we already do this with our contractors. Give employees time off to do volunteer work in accordance with standards set by ED (EMP045). Get more students to work in OSFA offices when school is out (EMP051). Rotate managers' assignments so they learn what it takes to serve *all* customer segments (EMP004). Continue the listening sessions with customers and employees that were started by the task force — and have all OSFA managers read the notes from these listening sessions with customers and front-line workers — it's a treasure chest of ideas (EMP037).

OSFA will drive its mission, vision, and values through employee empowerment to deliver best in business services

Front-line employee knowledge about customer needs and ways to satisfy those needs is the backbone of a successful customer service organization. For OSFA to truly transform itself into a PBO, it needs an employee feedback system. OSFA should create an “Employee Ideas Advocate”; a system where employees can continually submit their ideas directly to OSFA leadership for improving service, reducing costs, and increasing customer and employee satisfaction. Employees can use the system to track the response of OSFA leadership to their ideas and OSFA leadership can use the system to communicate with employees about suggestions that are implemented (*EMP032, EMP033*).

◆ *Create an OSFA “University”*

Status

Understanding the combined complexity of government regulation, financial management, and information technology takes lots of well-organized training. Half of OSFA’s employees say they aren’t getting the training they need to provide the service to their customers.

Actions

Expanding on the actions in the chapter about schools, and in cooperation with the Department’s Training and Development Center (TDC), make the OSFA “University” like the best corporate universities, such as Disney’s, Motorola’s, the Tennessee Valley Authority University, and the Bank of Montreal Institute for Learning (*EMP009*). Get everyone involved to make OSFA U. the best, not only for OSFA employees, but for our partners, too (*EMP010, EMP015, EMP018, EMP019*). Teach all the needed technical skills (*PAR031, PAR032, PAR034*) and management and leadership skills, too (*EMP011*). Exchange programs and externships between OSFA and its partners will help promote learning as well as improve each other’s understanding of how we do business (*EMP016*). In addition, OSFA should work with postsecondary institutions to create a position at the “University” for a “School Official in Residence,” which could be rotated among top performing institutions (*EMP017*).

To get the most from the “University,” OSFA should help each employee to create an Individual Development Plan (IDP) (*EMP013*) associated with a specific career path

(EMP025, EMP026). Keep a record of each worker's studies and competencies (EMP012, EMP014) and refer to it when filling vacant jobs (EMP027).

◆ **Take Care of OSFA Employees**

Status

Federal workers have good pay and benefits, but the best companies are always looking for ways to do better by their people.

Actions

OSFA should provide a safe and healthy workspace for all employees (EMP038). Employees would welcome better day care (EMP047), and better programs for stress management (EMP048). For employees who prefer not to make the changes OSFA must provide exit interviews (EMP035) and career transition help (EMP050). OSFA will recommend to the Secretary that he seek only legislation necessary to implement these goals.

◆ **Facilitate Performance Contracts**

Status

OSFA has little experience with performance-based contracting, and old habits die hard.

Actions

Get the contracting process started a little earlier than usual so we have extra time to do things right the new way (PAR022, PAR024, PAR025, PAR026, PAR027, PAR029, PAR030). As a standard practice, hold monthly review meetings between the business process owners, the Contracting Officer's Technical Representative (COTR), the contracting officer, and the contractor — and, of course, joint meetings with interlocking contractors (PAR036) — so everyone can work together to make performance-based contracting a success.

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**Best in Business Practices
Partnering with Contractors**

- ◆ In a General Services Administration (GSA) contract for custodial requirements, specification writers only identified desired quality levels. Offerors' technical proposals only identified the frequency and methods to be employed to meet quality standards. The result was maximum flexibility for the contractors.
- ◆ Health and Human Services (HHS) had clear success issuing a draft solicitation for computer maintenance. They received useful comments from industry that led them to re-evaluate some aspects of their technical approach and recognize areas in need of clarification. HHS experienced fewer problems with the solicitation as a result.
- ◆ The Department of Commerce included the contractor on a grounds maintenance contract as a partner in implementing the contract monitoring and reporting requirements. The result was a continual dialogue between the two parties about contract performance focused on results.
- ◆ Within the Department of Defense (DOD), the Army Corps of Engineers implemented a partnering program with its contractors that achieved cost, schedule, and performance goals. DOD believes partnering with its contractors improves relationships and communication between government and industry.

Figure 18

Best in Business Practices
for Partnering with
Contractors